

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
NOVEMBER 15, 2010**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, November 15, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Rick Stradtner – Vice Chairman
Alex Emmons – Wastewater Commissioner

PLEDGE OF ALLEGIANCE (DVD-00:46)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: CHEMICALS FOR 2011 – WATER (DVD-01:06)

Sandy Hemmerlein opened the chemical quotes and read them aloud. Quotes were received from the following companies:

1. Alexander Chemical
2. American International Chemical
3. Applied Specialties
4. Brenntag Mid South
5. Chemical Resources
6. G S Robbins
7. JCI Jones Chemical

8. Mississippi Lime
9. Sal Chemical Co.
10. Sterling Technologies
11. Univar USA, Inc.
12. USALCO
13. Water Solutions

Mike Oeding asked to take the quotes under advisement and report back at the next meeting with a summary. Ken Sendelweck made a motion for Oeding to take the quotes under advisement and report back at the next meeting. Mike Harder seconded the motion. Motion approved, 5-0.

QUOTE OPENING: PORTABLE GENERATOR – WASTEWATER (DVD-14:33)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1. Vanguard Sales of Evansville, Inc. \$48,952.00
Evansville, IN

The quote included a non-collusion affidavit.

2. Cummins Crosspoint, LLC \$52,585.00
Evansville, IN

The quote included a non-collusion affidavit.

3. EVAPAR \$46,990.00
Evansville, IN

The quote included a non-collusion affidavit.

Ed Hollinden asked to take the quotes under advisement and report back at the next meeting. Doug Schulte made a motion to take the quotes under advisement and have Hollinden report back at the next meeting. Greg Krodel seconded the motion. Motion approved, 5-0.

APPROVAL OF MINUTES (DVD-16:42)

Chairman Wayne Schuetter presented the minutes of the October 18, 2010, Regular Meeting, October 25, 2010 Special Joint Meeting and the November 5, 2010 Special Meeting and asked if there were any corrections or amendments.

Sandy Hemmerlein pointed out that the minutes for the November 5, 2010 Special Meeting needed to be corrected. It was stated that Mike Oeding would have a NIBSI contract for approval at the next meeting. “NIBSI” should be changed to “NAESB.”

Ken Sendelweck made a motion to approve the minutes from all of the meetings, with the correction to be made to the November 5, 2010 minutes as presented. Doug Schulte seconded the motion. Motion approved, 5-0.

2011 CAPITAL EXPENDITURE PLAN – ELECTRIC DISTRIBUTION (DVD-18:25)

Jerry Schitter presented his 2011 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

MEETING ATTENDED (DVD-20:24)

Windell Toby stated that he attended a meeting in Indianapolis last Tuesday on how to report carbons. The EPA will have a website available in the near future to register and report carbons. Toby said they are required to report on the carbons once a year, at the end of March.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-21:09)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

2011 CAPITAL EXPENDITURE PLAN – GAS & WATER (DVD-21:16)

Mike Oeding presented his 2011 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

NAESB CONTRACT FOR BP ENERGY COMPANY (DVD-21:29)

Oeding said that he has the NAESB contract with BP Energy Company ready to sign. The contract is used for imbalance trades.

Sandy Hemmerlein said there is a base contract for the sale and purchase of natural gas with BP Energy Company and they have attached special provisions attached to and forming part of the base contract for the sale and purchase of natural gas dated November 10, 2010 by and between BP Energy Company and the City of Jasper Municipal Utilities.

Hemmerlein said the base contract is the same as the one entered into with BP Canada a couple of years ago. The Special Provisions have changed somewhat due to what has happened with BP in the past. Because this contract is only for imbalances and because of the way those transactions occur, Hemmerlein doesn't believe there is anything in the Special Provisions that would create any additional risk for the City and she recommends approving the contract.

Greg Krodel made a motion to approve the NAESB contract with BP Energy Company. Mike Harder seconded the motion. Motion approved, 5-0.

GAS PLANNING COMMITTEE REPORT (DVD-24:31)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-24:39)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

2011 CAPITAL EXPENDITURE PLAN - WASTEWATER (DVD-24:44)

Ed Hollinden presented his 2011 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

COMMUNITY FOCUS FUNDS GRANT (DVD-24:56)

Hollinden reported that the award date for the Community Focus Funds Grant has been moved back twice. The grant was scheduled to be awarded on December 8th, but has been pushed back to December 30, 2010.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-25:15)

Ed Hollinden, Wastewater Manager, stated the committee did not meet during the past month.

2011 CAPITAL EXPENDITURE PLAN – BUSINESS OFFICE (DVD-25:24)

Bud Hauersperger presented his 2011 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

BIOMASS MEETING AT ST. MARY’S OF THE WOODS COLLEGE (DVD-26:40)

Hauersperger stated last Tuesday, he and Wayne Schuetter, attended a meeting at the St. Mary’s of the Woods College put on by the Indiana Biomass Energy Working Group in conjunction with Purdue University. There are over 200 people on this list serve, of which 75 people attended.

Hauersperger said the groups represented at the meeting included, Purdue University, University of Illinois, U S Department of Agriculture, Indiana Department of Agriculture, Indiana Department of Environmental Management, Indiana Department of Natural Resources, Indiana Office of Energy Development, Senator Lugar’s Office, President of the Indiana Farm Bureau, Kimball International, Hoosier Energy, other municipal utilities, Citizens Action Coalition, and other related businesses. He said there were high level representatives and speakers at the meeting.

Pete Grills from Bingham McHale spoke about financing issues related to biomass. A representative from SAIC spoke about a project going on at Crane to convert battlefield waste into electricity through pyrolysis. They want to have an operational unit by April 2011 for testing at Crane. There was also a developer who spoke that is developing a biomass plant by Terre Haute. They have already obtained their permitting to burn wood waste. The Sisters of Providence at the college have also replaced their coal boiler with a biomass boiler in 2008. They are very green on the campus and burn wood waste in their boiler. Wayne Schuetter said they are also growing miscanthus grass to try in their boiler as well.

One of the Sisters that lives on campus is originally from Jasper and has a subscription to the Herald. The Sisters were very interested in the article about the biomass demonstrators in Jasper. They do not understand why there is so much opposition for a biomass project after they have had so many positive outcomes from their project. They feel if more people would take on biomass projects like this, there would be such a positive impact on the environment as a whole.

Hauersperger said they made many contacts with informed people at the meeting and they were all supportive of Jasper's project. He said much support and valuable information can be obtained from these contacts. He felt it was a very beneficial meeting.

FINANCIAL SOFTWARE INSTALLED (DVD-37:40)

Hauersperger informed the Board that the financial software had been installed and is up and running. He commended Ashley Kiefer and Linda McGovren for putting in a lot of extra hours to get the financial statements prepared for this Utility Service Board meeting. It was not a good month to have an early meeting right after converting to new software.

He said they did a good job making the statements look the same as they did in the past, as they had to do a lot of hand inputting of information this month. They are working to get the process more automated in the coming months. He said it was not an easy task to fit the new information into our standard forms and they are learning how to do the processing more efficiently.

GAS COST OF SERVICE STUDY (DVD-39:13)

Hauersperger said he talked to Kerry Heid about the gas cost of service study. Heid had received the last bit of information needed from the City today and is ready to start crunching the numbers.

He said they plan to meet with Heid after Thanksgiving to discuss options for categorizing customers. A Gas Committee meeting will be scheduled before the December Utility Service Board meeting to discuss the study results and to set up a loan from the Electric Distribution Department to the Gas Department. He said they are short on cash, partially due to the current rate structure and having to buy large amounts of gas now, but not collecting for it until a month or two later.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-40:52)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Doug Schulte made a motion to approve the claims as presented. Ken Sendelweck seconded the motion. Motion approved, 5-0.

RESOLUTION APPROVED FOR COMMUNITY FOCUS FUNDS GRANT APPLICATION (DVD-41:23)

Sandy Hemmerlein stated last month a Resolution was approved with dollar amounts for the Community Focus Funds Grant application for the sewer project. The minutes for the meeting only reflected the total dollar amount which is still correct, but within the Resolution there were dollar amounts for money to be provided by the Wastewater Department and money that was left over from program income funds from a Street Department project.

The Resolution showed \$3,208.42 to be coming from the left over program income funds and before the Common Council meeting on Wednesday night, a change order came through on the Street Department project, which reduced this amount to \$403.42. This means that the difference will now be coming directly from the Wastewater Department. Hemmerlein said she did not feel it was necessary to amend the Resolution at this time. This is for information only that the dollar amounts were adjusted before the Ordinance was presented to the Common Council for approval on October 20, 2010.

There being no further business to come before the Board, the meeting was adjourned at 7:44 PM upon motion by Mike Harder and second by Greg Krodel. Motion approved, 5-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2010.

Attest: _____
Secretary Chairman